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Viewing cable 09QUITO943, Ecuador Minister states that the GoE will not do business

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09QUITO943**.

Reference ID	Created	Released	Classification	Origin
09QUITO943	2009-11-09 20:51	2011-08-30 01:44	CONFIDENTIAL	Embassy Quito

Appears in these articles:

<http://www.eluniverso.com/2011/04/12/1/1355/cable-233955.html>

VZCZCXYZ0000
OO RUEHWEB

DE RUEHQT #0943/01 3132051
ZNY CCCCC ZZH
O 092051Z NOV 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0313
INFO RUCPDO/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE
RUCNDT/USMISSION USUN NEW YORK 0018
RUEAIIA/CIA WASHINGTON DC
RUEHBO/AMEMBASSY BOGOTA
RUEHBR/AMEMBASSY BRASILIA 0089
RUEHCV/AMEMBASSY CARACAS 0121
RUEHGL/AMCONSUL GUAYAQUIL
RUEHLP/AMEMBASSY LA PAZ NOV LIMA
RUEHQT/AMEMBASSY QUITO

C O N F I D E N T I A L QUITO 000943

SIPDIS

E.O. 12958: DECL: 2019/11/09

TAGS: [ECON](#) [EFIN](#) [EC](#) [IR](#) [PREL](#) [MNUC](#) [PARM](#) [KNNP](#)

SUBJECT: Ecuador Minister states that the GoE will not do business with Export Development Bank of Iran

REF: A) IRA...

id: 233955
date: 11/9/2009 20:51
refid: 09QUITO943
origin: Embassy Quito
classification: CONFIDENTIAL
destination: 09QUITO863|09QUITO869|09QUITO875
header:
VZCZCXYZ0000
OO RUEHWEB

DE RUEHQT #0943/01 3132051
ZNY CCCCC ZZH
O 092051Z NOV 09
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0313
INFO RUCPDO/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE
RUCNDT/USMISSION USUN NEW YORK 0018
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RUEHGL/AMCONSUL GUAYAQUIL
RUEHLP/AMEMBASSY LA PAZ NOV LIMA
RUEHQT/AMEMBASSY QUITO

----- header ends -----

C O N F I D E N T I A L QUITO 000943

SIPDIS

E.O. 12958: DECL: 2019/11/09
TAGS: [ECON](#) [EFIN](#) [EC](#) [IR](#) [PREL](#) [MNUC](#) [PARM](#) [KNNP](#)
SUBJECT: Ecuador Minister states that the GoE will not do business
with Export Development Bank of Iran

REF: A) IRAN STATE 98748; B) QUITO 875
C) JOHNSTON/LANDBERG EMAIL 10/01/09; D) QUITO 863; E) QUITO 869

CLASSIFIED BY: chritton, DCM, DOS, Exec; REASON: 1.4(C), (D)

11. (C) Summary: Ecuador's Coordinating Minister for Economic Policy, Diego Borja, assured EconCouns November 4 that the GoE will not maintain commercial relations with the Export Development Bank of Iran, a USG-designated entity. Borja asked EconCouns if the USG could provide background information on how other countries are managing their commercial elations with Iran, so that Ecuador can emulate others' actions and avoid violating international and U.S. regulations. End Summary.

12. (C) On November 4, EconCouns delivered Ref A demarche to Ecuador's Coordinating Minister for Economic Policy, Diego Borja, highlighting the possible repercussions of doing business with Iran's Export Development Bank (EDBI) given the U.S. Treasury's designation of EDBI for supporting Iran's WMD program. Central Bank of Ecuador (CBE) Managing Director Karina Saenz, Deputy Managing Director Diego Zapater, and other CBE staff also attended the meeting. EconCouns had delivered the same demarche to Saenz on September 29 (Ref B), during which she recommended that Post address the issue with Borja, an influential minister ideologically close to President Correa, since "Ecuador's dealings with EDBI are more geopolitical than financial." Saenz set up the meeting with Borja after becoming concerned about the EBDI issue from meetings with Econoffs and subsequently with Treasury Deputy Assistant Secretary Nancy Lee on the margins of the IMF annual meetings in Istanbul. Borja himself requested the meeting, at the last minute, in order to obtain information on the EDBI issue prior to participating in the GoE cabinet meeting with President Rafael Correa on November 5.

13. (C) EconCouns emphasized to Borja exactly as presented in the Ref A. The only deviation was to emphasize to Borja that the demarche was focused on EDBI and the purpose of this particular demarche was not to question Ecuador's broader relations with Iran. (Comment: this was an area of confusion in earlier demarches, where our MFA interlocutor reacted as if the U.S. was criticizing Ecuador's right to establish any kind of relations with Iran.) EconCouns explained that he had already delivered the demarche to the Director General of the Central Bank, Ecuador's Banking Superintendent, the Director of Multilateral Affairs at the MFA, and the General Director of Ecuador's Financial Intelligence Unit. He also explained that the Treasury Department had already demarched Ecuadorian Ambassador Luis Gallegos on the EDBI issue.

14. (C) In response to the demarche, Borja said that the GoE had no intention of supporting any entity involved in terrorism financing or the proliferation of WMD. Furthermore, in light of the information just provided, he stated that Ecuador could not continue to develop a relationship with EDBI. Borja noted that because Ecuador was a dollarized economy it needed to preserve the integrity of the dollarized system and could not risk getting involved with an institution (like EDBI) that would potentially impact financial relations with the U.S.

15. (C) Borja commented that "at the highest levels" Ecuador had made a "political decision" to explore and expand political, economic, and commercial relations with Iran. Borja said that this was part of Ecuador's logical effort to expand and diversify its trading base, with the goal of reducing Ecuador's dependency on a few markets and reducing its vulnerability to external shocks, particularly those resonating from the U.S.

16. (C) Borja asked the other Ecuadorian officials and his staff about the status of BCE discussions with EDBI. BCE officials answered that beyond the initial "agreement" neither side had moved forward with the proposal for a line of credit and EDBI had not advanced on its plan to open a branch in Ecuador. BCE Deputy Manager Zapater noted that the BCE had already informed EDBI that Ecuador could not move forward with any deal without clear assurances that EDBI was not involved in terrorist financing or weapons of mass destruction activities. When Borja asked why Ecuador was dealing with EDBI, CBE explained that Iran had proposed working through that organization.

17. (C) Borja asked the CBE officials how other countries around the world maintained commercial relations with Iran without running into the problems Ecuador was now facing. They responded that Brazil, Colombia, Venezuela, Mexico, and many European countries all maintain some level of commercial relations with Iran. Borja postulated that there must be some way for Ecuador to deal with Iran without going through a U.S.- designated entity. Borja then asked EconCouns for any information that the USG could provide on how other countries manage their relations with Iran without violating UN, FATF, and U.S. resolutions and laws.

18. (C) During the meeting, BCE Managing Director Saenz highlighted her concern over the EDBI issue in front of Borja, noting that even Venezuela's Central Bank does not have any direct contact with either EDBI or the Banco Internacional de Desarrollo, CA (International Development Bank, CA), located in Venezuela and designated by the U.S. along with EDBI. After departing the meeting, Saenz reiterated her concern over the EDBI issue to EconCouns, and requested that he communicate to U.S. officials in Washington that the BCE and GoE have no intention of having any dealings with an entity linked to weapons of mass destruction or terrorist financing.

19. (C) Comment: The tone of the Borja meeting was constructive and an improvement over previous meetings with the MFA on the EBDI issue. Also, recent attempts by the Embassy to meet with the President of the Central Bank Board and the Ministry of Finance have been rebuffed, leaving some question as to how willing the upper levels of the GoE were to engage on the issue. It is unclear whether Borja was being sincere on this issue. However, seeing as he called for the meeting at the last minute, it seems possible that he will communicate the EBDI issue to President Correa. For her part, Saenz appears sincere in her concern over BCE involvement with EBDI. End Comment.

CHRITTON

=====CABLE ENDS=====